

OGC HAS REVIEWED.

25 July 1951

MEMORANDUM FOR: Deputy Director (Administration)

SUBJECT: Retired Officers as Consultants

1. In accordance with your instructions, I drafted the attached letter to present the question to the Comptroller General of utilizing services of retired officers on an intermittent consultant fee basis without impairing their entitlement to retired pay. I presented a copy on 24 July to Mr. Lyle Fisher, General Counsel to the Comptroller General. His initial reaction was that the proposal was in accordance with the rulings from the Comptroller's office and that he was perturbed only by the question that the duration of the contract might be limited to one year in view of the wording of Section 15 of Public Law 600. He requested permission to study the case and indicated that if there were any doubt in the matter, he would ask for a formal submission of the letter as drafted.
2. I received a call on 25 July from Mr. Carl Friend, Assistant General Counsel, who has been cleared for consultation on CIA matters. Mr. Friend stated that he had discussed the problem with Mr. Fisher and there was no question in their mind about the fact that the proposed services were intermittent within the meaning of their rulings and would not be considered to constitute holding an office or position. Consequently, the officers concerned would not be required to give up their retired pay for the days on which they were paid fees for consultation. With reference to the one year's limitation in Public Law 600, Mr. Friend said it is possible that the limitation might not be applicable to CIA in view of the fact that CIA had broad statutory authority in connection with employment of personnel and expenditure of funds therefor without regard to the specific provisions of Public Law 600, but in any event, the employment on an intermittent fee basis would not be within the time limitations of Section 15.
3. I suggested that the Finance Officers of the Army and Navy might from time to time raise questions in connection with the retired pay. Mr. Friend stated that he would be glad to have such questions referred directly to him and saw no problem in satisfying the Finance Officers concerned.
4. On the basis of the above, I am satisfied that the retired officers concerned are adequately protected as to their retired

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status and the retention of their retired pay and in their right to receive compensation in the nature of fees for consultation so long as the service rendered continues to fall within the circumstances outlined in our proposal to the Comptroller General. Each new case should, of course, be given careful consideration and continuing review of these cases should be maintained by Personnel and the Comptroller's office.


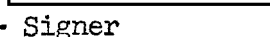
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LAWRENCE R. HOUSTON
General Counsel

OGC/LRH:mls

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